

DSMC Hosts Northrop Grumman Corporation Risk Management Seminar

Better, Faster, Cheaper — Perhaps Even Smarter

BILL BAHNMAIER

Defense Systems Management College hosted a Risk Management Seminar sponsored by the Northrop Grumman Corporation on Sept. 28-29, 1998, at the DSMC main campus, Fort Belvoir, Va. Attendees at the seminar included project managers from Northrop Grumman traveling from places as distant as Bethpage, N.Y., Melbourne, Fla., and Rolling Meadows, Ill.

The managers are all involved in electronic defense systems, including the Joint Surveillance Target Acquisition and Reconnaissance System (JSTARS) and Navy EA6B Aircraft Upgrade. Scott Pozza and Frank Catalfamo of Northrop Grumman and Bill Bahnmaier of DSMC jointly planned the seminar.

The "Technology-Based Education and Training" section of the July-August 1998 edition of *Program Manager* magazine featured an article on an educational partnership between DSMC and a prominent defense contractor. That partnership and others like it, fostered under Acquisition Reform, served as a catalyst for the Northrop Grumman Seminar. During the two-day seminar, discussion covered the spectrum of risk management tools and activities — and their relationship to program management.

Frank Swofford, the DSMC National Defense Industrial Association Chair, delivered the welcoming remarks. Swofford has served in many DoD acquisition leadership positions, including Assistant Secretary of the Navy, Shipbuilding and Logistics. Instructors included DSMC fac-

ulty, Air Force risk management experts, and other local experts in the field.

Dr. Davidson Frame of the University of Management and Technology, Arlington, Va., is the author of several recent books on project management. He presented the academic side of risk management processes and his own experiences in various risk management consulting projects over the past 10 years.

Many of the projects managed by attendees are Air Force programs, so the latest information on the Air Force Risk Management Process was essential. Risk management techniques, requests for proposals, and contract award were discussed by Larry Long and Air Force Maj. Chris Belson, from Wright-Patterson AFB, Ohio.

Long and Belson presented the latest Air Force guidance from the U.S. Air Force Acquisition Support Team on the risk management module of the Performance-Based Business Environment. This latter presentation included practical guidance on the Performance Risk Assessment Group (PRAG), a government body appointed by the Source Selection Advisory Council to assess contractor's performance risk. As a part of the source selection process, the PRAG conducts an analysis of past performance to determine the degree of risk involved in accepting a contractor's proposal.

Jeffrey Robinette, also from Wright-Patterson AFB, described the application of a computerized risk analysis tool — Probability/Consequence Screening — developed by the Aeronautical Systems Center.

Dr. Dean Baker, a Northrop Grumman Vice President and General Manager, gave

his experiences and expectations for handling project risk. Lou Simpleman of the Institute for Defense Analyses in Alexandria, Va., discussed the DoD Risk Management Working Group, which used both industry and government best practices in developing risk management input to the Defense Acquisition Deskbook and the *DoD Risk Management Guide*. Other speakers included Frank Catalfamo, who covered best practices at Northrop Grumman and Bill Bahnmaier of DSMC, who presented a government program manager's perspective on risk management.

In the latter presentation, practical risk management software tools were demonstrated, sample cases were examined, and attendees presented some of the risk management — and program management — challenges that they were currently facing. Some software models demonstrated were: Risk+ (a Monte Carlo simulation add-on to Microsoft Project); Risk Matrix, an Excel-based program developed by the Mitre Corporation in collaboration with the Air Force Electronic Systems Division; and the Technical Risk Identification and Mitigation Software, developed by the DoD-sponsored Best Management Practices Center of Excellence.

The two-day seminar provided an opportunity for Northrop Grumman project managers to focus on risk and program management in a relaxed academic environment, plus exchange valuable information with government and company practitioners. The knowledge gained will enable the company to bid and perform "better, faster, and cheaper" — perhaps even smarter — on future programs.

Bahnmaier is a professor of Systems Acquisition Management, Faculty Division, DSMC

SEMINAR LEADERS FRANK CATALFAMO OF NORTHROP GRUMMAN, MELBOURNE, FLA.; AIR FORCE MAJ. CHRISTOPHER BELSON OF WRIGHT-PATTERSON AFB, OHIO; LAWRENCE LONG OF WRIGHT-PATTERSON; AND BILL BAHNMAIER, DSMC MAIN CAMPUS, FORT BELVOIR, VA., DISCUSS THE AGENDA FOR THE RISK MANAGEMENT SEMINAR.



ENGAGING IN DISCUSSION IS NORTHROP GRUMMAN'S HARRY LEE OF MELBOURNE, FLA., DURING THE RECENT RISK MANAGEMENT SEMINAR HELD AT DSMC'S MAIN CAMPUS, FORT BELVOIR, VA.

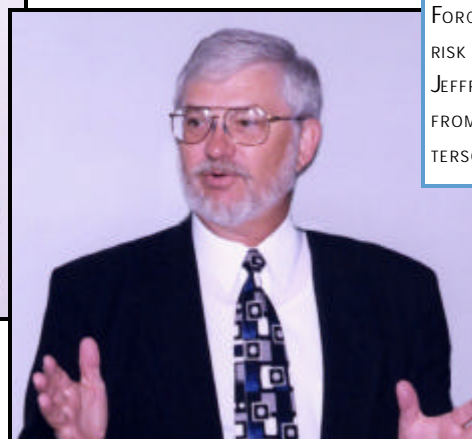


RISK MANAGEMENT SEMINAR ATTENDEES GATHER IN FRONT OF SCOTT HALL, DSMC MAIN CAMPUS, FORT BELVOIR, VA.

DR. DEAN BAKER, NORTHROP GRUMMAN VICE PRESIDENT AND GENERAL MANAGER, GIVES THE INDUSTRY PERSPECTIVE DURING THE RISK MANAGEMENT SEMINAR.



EXPLAINING THE AIR FORCE'S APPROACH TO RISK MANAGEMENT IS JEFFREY ROBINETTE FROM WRIGHT-PATTERSON AFB, OHIO.



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